

**TABLE CONTENTS**

<b>1.0</b>	<b>Executive Summary</b> .....	<b>2-7</b>
<b>2.0</b>	<b>Market Analysis Summary</b> .....	<b>8-12</b>
<b>3.0</b>	<b>Strategy and Implementation Summary</b> .....	<b>13-16</b>
<b>4.0</b>	<b>Management Summary</b> .....	<b>17</b>
<b>5.0</b>	<b>Financial Plan</b> .....	<b>18-21</b>
	Important Assumptions	
	1. Break-even Analysis	
	2. Projected Cash Flow	
	3. Projected Profit and Loss	
	4. Projected Balance Sheet	
	5. Business Ratios	
<b>6.0</b>	<b>Security</b> .....	<b>22</b>
<b>7.0</b>	<b>Conclusion and Recommendation</b> .....	<b>22</b>
<b>8.0</b>	<b>Appendix</b> .....	<b>22-30</b>

## 1.0 EXECUTIVE SUMMARY

### Introduction.

YIFENG TRADING COMPANY LIMITED is an existing farm dedicated to the production of Farm. Fintan & friend Company Limited has been formed as an Oregon-based Limited Liability Corp. (MCL) located Kidugalo Village –Kisarawe-Pwani District Tanzania; Malangani Farm is working hard to become a leading producer of Farm products, Livestock and Poultry products, for the natural supplement industry as well as plant nurseries. By leveraging a well thought out business plan executed by a skilled management team, Farm Product will generate expect over USD 200 Million in 10 year sales.

### The Company.

YIFENG TRADING COMPANY LIMITED will be a limited liability registered and incorporated In Jnuary 3<sup>rd</sup> 2002 by No. **45111 with TIN Number 101-733-971**, Also registered **Tanzania Investment Center (TIC) with No.....** in Tanzania for Agriculture Company(Mixed Farming. Its founder is MS rose Pesha who is Managing all the activities of the company. The company has almost 120 employees  
The company has its main offices which its physical address;

### Company History

YIFENG TRADING COMPANY LIMITED has been in Founded three Months five (5) ago. Initially it was started as a hobby where Anania Anyimike Kasisi could use her plant biology skills while covering some of the costs. After the second year, the Anania's decided that although they had the money to live on for many years, it would be irresponsible to needlessly spend it so they got serious about the business and made a concerted effort to become profitable.

YIFENG TRADING COMPANY LIMITED enter contract with Dawasco from Mlandizi station to Kidugalo Village(Fintan &Friend Farm farm Project) is about 65 km as an ideal place to grow perennials. Farm, livestock's and poultry has 122 Title dead in Processing of land and 976 not registered acres of land which they use for production. During several of the winter months, production is moved into their green house for propagation. Farm, livestock's & Poultry employs a drip irrigation system for all of the plants.

Table: Past Performance

<i>Past Performance</i>	
	2016
<b>Sales</b>	<b>\$0</b>
<b>Gross Margin</b>	<b>\$0</b>
<b>Gross Margin %</b>	<b>0.00%</b>
<b>Operating Expenses</b>	<b>\$0</b>
<b>Collection Period (days)</b>	<b>0</b>
<b>Balance Sheet</b>	
<b>Current Assets</b>	
<b>Cash</b>	<b>\$0</b>
<b>Accounts Receivable</b>	<b>\$0</b>
<b>Other Current Assets</b>	<b>\$0</b>
<b>Total Current Assets</b>	<b>\$0</b>
<b>Long-term Assets</b>	
<b>Long-term Assets</b>	<b>\$0</b>
<b>Accumulated Depreciation</b>	<b>\$0</b>
<b>Total Long-term Assets</b>	<b>\$0</b>
<b>Total Assets</b>	<b>\$0</b>
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	<b>\$0</b>
<b>Current Borrowing</b>	<b>\$0</b>
<b>Other Current Liabilities (interest free)</b>	<b>\$0</b>
<b>Total Current Liabilities</b>	<b>\$0</b>
<b>Long-term Liabilities</b>	<b>\$0</b>
<b>Total Liabilities</b>	<b>\$0</b>
<b>Paid-in Capital</b>	<b>\$0</b>
<b>Retained Earnings</b>	<b>\$0</b>
<b>Earnings</b>	<b>\$0</b>
<b>Total Capital</b>	<b>\$0</b>
<b>Total Capital and Liabilities</b>	<b>\$0</b>
<b>Other Inputs</b>	
<b>Payment Days</b>	<b>0</b>
<b>Sales on Credit</b>	<b>\$0</b>
<b>Receivables Turnover</b>	<b>0.00</b>

## Keys to Success

YIFENG TRADING COMPANY LIMITED has identified three keys that will be instrumental in their success. The first is the implementation of strict financial controls. By having the proper controls, production efficiency will be maximized. The second key will be the never ending pursuit for the industry's highest concentration levels of botanical ingredients in each plant. The third key is the recognition and implementation of the philosophy that 100% customer satisfaction is required to ensure a profitable business. Profits are by product of satisfying customers, not the other way around.

## Products

YIFENG TRADING COMPANY LIMITED limited is 122 Title deeds and 976 in processing acre farm that concentrates on Agribusiness (water irrigation water-from Dawasco Mlandizi station (65 kilometer Mlandizi to Kidugalo village) Farm, Poultry, Fish ponds, Horticulture and Livestock the growing of. Malangani Company has chosen five plant species that have significant market demand as well being well suited for grow

## Economic empowerment

This comprises production of food items with a focus on making profit by engaging in:

**Food processing**, Raw ground nut flour, Kisamvu, Roasted groundnut paste, Roasted pumpkin seeds flour, Roasted pumpkin seeds, Garlic paste, Papaya wine, Rosella wine, Mango pickle, Orange Jam, Livestock keeping, Free range chicken, intensively reared chicken, ducks, milk cows, fish, bees, Vegetable and fruit **production**, Kisamvu, mushrooms, cowpea leaves, pumpkin leaves, mchicha, eggplants, bitter tomatoes

Meat and Milk Industry Agribusiness

❖ Maize, Sunflower, Rice, Fresh beans, Bees keeping, and other crops

## Number of people that will be served.

With reassured water availability all year around for irrigation of the Agribusiness Crops, fruit trees and vegetables, the Project has potential for increased productivity which will translate to improved salaries for existing staff and additional staff, host and support training activities as well as contribute to education of Farm, livestock keeping as well as offer internship programmer for Tanzanians and non-Tanzanians. To be specific, table 1 shows a description of jobs, training and internship opportunities that will open up if a deep well will be established at the Centre.

**Table 1: Jobs, training and internship opportunities that can open****Up if a deep well will be established**

Description	Number of employees/students
Manager	1
In-charge of Horticulture	1
In-charge of Farm	1
Fruit trees attendant	10
Livestock attendant	20
Vegetables	10
Sales attendant	50
Cook	5
Irrigation system attendant	10
Vegetable growing expert	10 part time staff
Veterinary officer	5 part time staff
Fruit production expert	2 part time staff
Food processing trainer	5 part time staff
Soil and water Tester	2 Consultant

To sum up, if a Fintan & Friend Farm will be established, per year, the Centre will support 120 full time jobs, 22 part time jobs per year.

### **Marketing of the service**

To Village Family, to stakeholders, Company of Processing, to development partners (exportation) and to Malangani Farm staff

## **Market**

YIFENG Farm Project has three Types of customers: supplement companies, processors of Farm Product for supplement companies, and Personal People that resell the plants. The first two customers purchase the Farm Product for use in their products which they ultimately sell to the end consumer. The market for natural supplements is quite exciting. Surveys show that over 8 million consumers (over 65% of Tanzania and up country population) use dietary supplements. An estimated 15.3 million consumers buy vitamins and minerals for themselves, and 10.8 million purchase them for other members of their family, including children. Consumer surveys consistently find that nearly half of all Tanzania now use herbs - a statistic that is particularly remarkable when we realize that today's herbal products industry is just over a quarter century old.

## **Financial Plan**

Fintan & friends Company limited began as a hobby for Anania Anyimike Kasisi. Founded and resisted five (5) Months ago. Over the last five years Ideas before Registered they have worked out all of the bugs related to production. Additionally, they are now quite hungry to succeed, creating one of the premier Malangani Farm perennial farms in the country. To finance our growth and full-time production, We are seeking a \$ 10,000,000 for 10-year loan. Sales forecasts conservatively indicate that \$10, 000,000 revenue will be generated in year ten, rising to \$100 million the following year. (10)

## **Financial Considerations**

The business investment at presents is at present are uds 2.2 Million consisting of Usd 1.4 Million is non-current assets and Usd 0.8 Million is current assets as per details given in financial report. The business is profitable since it has been making profits from its establishment. A summary of the financial performance for the past one years is shown page No. 3; and currently the company is banking with Equity Bank but no any facilities from these bank is being enjoyed by us. That is why; we are planning to obtain Usd 20,000,000 million in current borrowing from your bank (ADB), the principal to be paid off in ten years. A long-term loan of Usd 20,000,000 million. The company expects to reach profitability in all year of plan and does not anticipate any serious cash flow problems. We conservatively believe that during the first three years, about three projects per month will guarantee a break-even point.

## ***Objectives***

The YIFENG Farm Farm Products has identified several objectives for the business:

1. Become a leading supplier of Farm, Livestock, and Poultry Products perennials for the health and others.
2. Reach the point of sustainable profitability.
3. Enjoy work while making a good living.

## ***Keys to Success***

Fintan & Friend Farm will adhere to six keys that will be instrumental in its success:

1. Strict financial controls.
2. The never ending pursuit of the highest concentration of Fintan & Friend Farm Product in every Product.
3. Ensuring that all customers' needs are met and they are satisfied with the purchased products.
4. Differentiate our services so that our clients realize that we are able to better serve their needs than a more generic competitor.
5. Keeping close contact with clients and establishing a well functioning long-term relationship with them to generate repeat business and a top notch reputation.
6. Establish a comprehensive service experience for our clients that include consultation, analysis of goals and target markets. Creation of streamlined and custom advertising campaigns based on needs, total design work of all visual advertising tools, implementation, and follow-up analysis.

## ***Mission***

It is Fintan & friends Company limited mission to become the leading provider of Farm Product, poultry & livestock's perennials to the health/vitamin and other. This will be accomplished by providing quality Farm product at fair prices while exceeding customer's expectations.

## 2.0 MARKET ANALYSIS SUMMARY.

### Market Analysis Summary

YIFENG Farm Project has identified three main customer groups: supplement companies; botanical processors; and other nurseries. The customer segments are distinct enough to be able to target each one differently. The industry that Fintan & Friend Farm produces for has been undergoing consolidation for several years now. YIFENG TRADING COMPANY LIMITED will be able to serve the industry by leveraging their competitive edge of healthy, potent plants.

### *Market Segmentation*

Malangani has identified three different target market segments which they will sell to:

#### **Supplement Companies**

This customer group manufactures YIFENG TRADING COMPANY LIMITED supplements for their own label products. The companies purchase the plants and extract the active ingredients and transform them into sellable products for their own brand. There are a handful of large companies that operate in this market space. Ten years ago there were many different ones but through consolidation the industry has grown in size but decreased in the number of different players.

#### **Processors**

These customers purchase the Product direct to YIFENG Farm extract the Malangani s and either sell the concentrated botanicals to the end producers or they themselves produce the supplement and sell the final product to other companies for their private label products. In essence they are the subcontractor for the supplement companies. These companies therefore are one layer within the manufacturing system and do not sell to the end consumer. They act as a supplier/processor for the retail brands.

#### **Other**

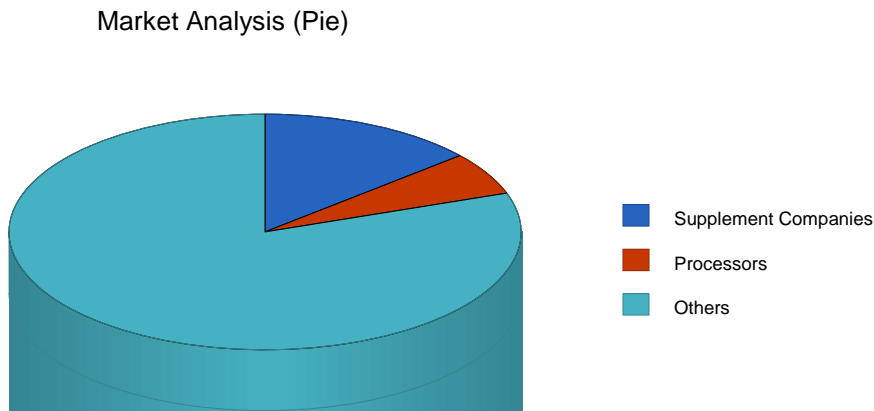
This customer group purchases the plants which they in turn sell at retail to the individual end consumer. The typical consumer is a health conscious individual who is interested in either extracting the YIFENG TRADING COMPANY LIMITED from the Farm immediately or growing the Farm Product in their own Factory for future use.

### *Target Market Segment Strategy*

YIFENG TRADING COMPANY LIMITED has chosen the three market segments based on the consistent demand for botanical extracts. While there are other potential customers, they are smaller, less consistent in terms of demand, and more difficult to reach. The supplement

companies, processors, and to a smaller degree the nurseries are attractive customers due to the consistent demand and typical long-term contract needs. There is significant value to these customers for a grower to consistently offer the same high level of active botanicals in each plant and to be able to meet the needs of large volume, long duration contracts.

**Chart: Market Analysis (Pie)**



**Table: Market Analysis**

<i>Market Analysis</i>							
		2017	2018	2019	2020	2021	
Potential Customers	Growth						CAGR
Supplement Companies	5%	21	22	23	24	25	4.46%
Processors	4%	9	9	9	9	9	0.00%
other	5%	123	129	135	142	149	4.91%
<b>Total</b>	<b>4.58%</b>	<b>153</b>	<b>160</b>	<b>167</b>	<b>175</b>	<b>183</b>	<b>4.58%</b>

## Competition and Buying Patterns

As mentioned previously, competition takes two forms, farms similar in size and production capacity to Farm product and Horticulture farms. The similarly sized farms range in size from 1,098 acres. The number of different herbs grown varies from a handful to upwards of 1,098. The choice of plants grown is based on owner preference as well as location and the ability of the local growing conditions to support the different plants.

On the other end of spectrum is the mega farm. These farms have a similar range of species cultivated, however they differ greatly in production capacity. These farms are huge, typically not less than 200 acres, peaking at 700 acres. These growers however are few Directors.

The buying patterns of the different customers are typically based on these variables:

- Price
- Availability
- Ability to deliver consistently on long-term contracts
- Significant % of active ingredients
- Consistency.
- 

## Strategy and Implementation Summary

YIFENG Farm will leverage their competitive edge in order to gain significant market share. Their competitive edge is their ability to consistently produce plants with high active Farm Product percentages as well as a high ratio of healthy plants (sellable).

The marketing strategy will have the objective of raising awareness and visibility of their industry-leading percentages of active Malangan Products. The strategy will communicate the fact that YIFENG Products will yield a significantly higher amount of botanicals measured per plant.

The sales strategy, in addition to reinforcing the competitive edge, will seek to qualify leads by concentrating on YIFENG TRADING COMPANY LIMITED Farm Product's ability to perform reliably on long-term contracts, becoming a stable supplier to the larger companies that need a steady supply stream.

## Competitive Edge

YIFENG Farm has a dual competitive edge:

### Health Plants

The healthier the plant, the faster it will grow, the more YIFENG Farm Products that can be extracted from it. This means an increase in production efficiency due to a larger percentage of

plants that are sellable. Other characteristics of healthy plants which are important on the production side are: lower pest counts, more established root structures, and high biomass.

### **High Concentration of Active Farm Product from Malangani Farm**

This is beneficial to the purchaser because they are buying the plants precisely for the active Farm Product. High concentration levels are valuable to YIFENG Farm Product because they increase the amount of botanicals produced per plant or per acre, increasing the production capacity of a given amount of land, thereby increasing their return on investment and increasing the attractiveness of Malangani Product's plants relative to the competition.

### **Industry Analysis**

The Farm. Poultry and livestock's perennial growing market is typically concentrated in several regions around the Tanzania. Which have optimum growing conditions while there is a couple mega farms, on the whole, 77% of the Tanzania. Production comes from growers with 1,098-5,000 acres of land. Approximately 23% of Farm Product extracts are grown abroad and imported into the Tanzania. Reasons for YIFENG Farm growth to occur overseas are typically based on the type of herb and its ability to grow better in the respective region.

The market for supplements is huge and growing:

### **Tanzania Supplement Market**

Surveys show that over 8 million consumers (over 63% of the Tanzanian. population) use dietary supplements. An estimated 5.3 million consumers buy vitamins and minerals for themselves, and 5.8 million purchase them for other members of their family, including children. Consumer surveys consistently find that nearly half of all Tanzania, Arabic South Africa And others Countries needs Malangani Product now use herbs - a statistic that is particularly remarkable when we realize that today's herbal products industry is just over a quarter century old.

The consumer's desire for self-care and the widespread use of dietary supplements may cause problems for public health. Problem of Foods Duster An estimated 22.8 million consumer's use herbal remedies instead of prescription vitamins, and an estimated 19.6 million use them with a prescription product.

The five main channels of distribution are: consumer-direct (includes direct mail/catalog, direct from sales representatives, multi-level marketing, Internet & infomercial/direct from television); food, mass-market stores, health and natural food stores, healthcare professionals and practitioners, others.

**Channel of Distribution % of \$ Sales**

Consumer-direct/exported up Country	32%
Poultry Birds	30%
natural food stores	20%
Healthcare professionals / practitioners Eggs, Milk, meat Processing	4%
Horticulture Production	10%
Other	4%

**Total Production Of Birds**

		Number Of Parents Stocks	Eggs @ day	Eggs Hatchery @Month	Total Sales @month	Total Sales Per Year
1	Chicken	200,000	180,000	576,000	547,200	6,566,400
2	Ducks	60,000	54,000	172,800	164,160	1,969,920
3	Gees	100,000	90,000	288,000	273,600	3,283,200
4	Turkey	40,000	36,000	115,200	109,440	1,313,280
5	Perkin	100,000	90,000	288,000	273,600	3,283,200

### 3.0 STRATEGY AND IMPLEMENTATION SUMMARY

#### *Marketing Strategy*

The marketing strategy will be based on generating awareness and visibility of Fintan &Friend Farm and their ability to produce the highest percentages of Fintan &Friend Farm. The strategy will rely on several different forms of communication. The main form is participation in the numerous trade shows for the industry. The trade shows are where everyone from the industry gathers to meet and transact business. It is a wonderful place to network as well as learn about new developments in the industry. The second form of communication will be the use of advertisements. The main venues for advertisements will be industry trade magazines. The trade magazines are a well-read source of information that buyers and sellers refer to for many different transactions.

#### *Sales Strategy*

YIFENG Farm sales strategy efforts will focus on identifying qualified leads and turning them into paying customers. The main sales effort that YIFENG Farm will undertake is the reinforcement of the fact that Malangani Farm Product has the industry's highest percentage of Farm Products. This will be quite appealing to the buyers as this is exactly what they want, more botanicals per plant. In addition to selling the buyers on Fintan &Friend Farm Products competitive edge of potent plants, there will be an emphasis on Fintan &Friend Farm Products' ability to perform on long-term contracts.

YIFENG Farm Product recognizes that the transactions should not be thought of as individual sales, but as long-term relationships. This is a reasonable assumption based on the fact that the customers are in the business of utilizing botanicals, that they will continually have the need for the botanicals, and that

It is far less expensive to establish a relationship with one vendor than to continually have to find new vendors that can meet their needs.

#### **Sales Forecast**

The sales forecast indicates that growth will be slow but steady. Growth will be slow because of the time and effort needed to develop the customers. Production is not the slowing element as Fintan &Friend Farm has been in production for a couple of years. Granted they were not producing at the same level, or for that matter with the same goal of business efficiency, but nonetheless they will be able to reasonably rise

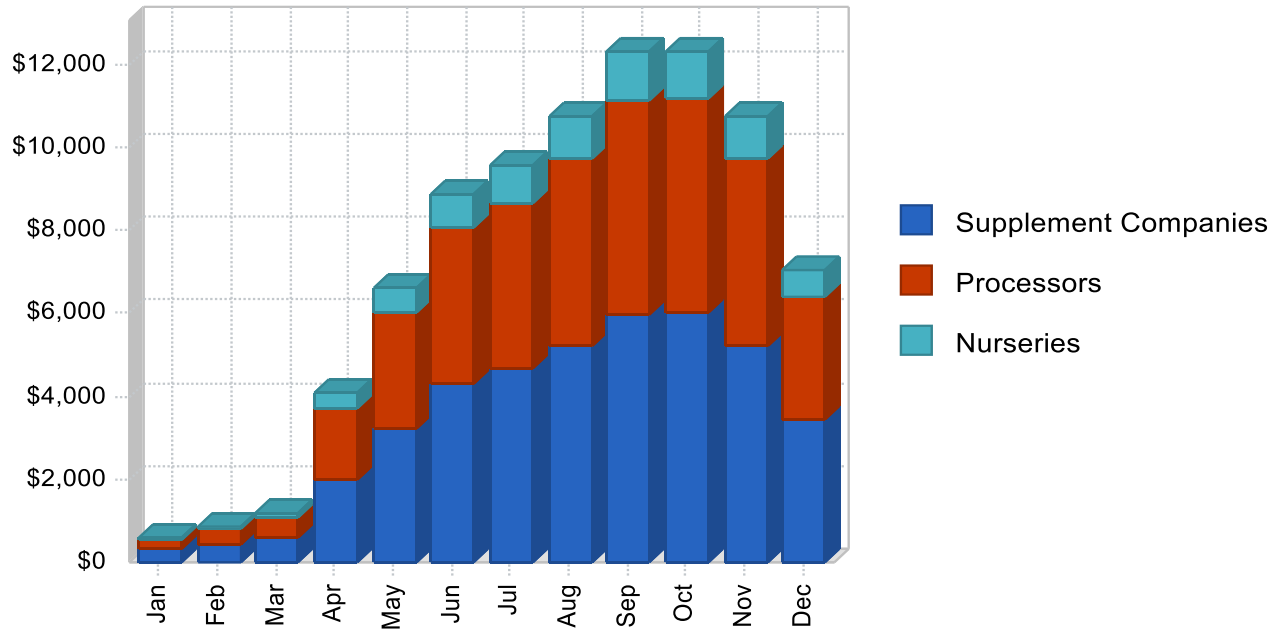
Production to meet the sales needs. During the wet months of the year, the forecast reflects a tapering of sales as production will fall during these months. There will however be some sales and production which will be moved inside to the greenhouses.

There are a few risks that could have a negative impact on sales. The first is weather. Plants are dependent on the weather. A poor growing season will have a serious effect on production. This risk is spread amongst all of the producers of the specific region meaning the weather risk is imposed on everyone, generally not a specific farmer. Another risk that could affect sales is some sort of pest that could unexpectedly negatively affect the crops. By planting multiple Farm products and choosing them based on their heartiness relative to the growing climate, YIFENG TRADING COMPANY LIMITED is able to minimize these risks as much as possible.

**Table: Sales Forecast**

<i>Sales Forecast</i>			
	2017	2018	2019
Sales	8,467,000	17,767,000	25,967,000
Supplement Companies	\$1,200,000	\$1,560,000	\$2,028,000
Processors	\$280,000	\$364,000	\$473,200
Others	\$180,000	\$234,000	\$304,200
<b>Total Sales</b>	<b>\$10,127,000</b>	<b>\$19,925,000</b>	<b>\$28,772,400</b>
<b>Direct Cost of Sales</b>	<b>\$ 3,950,000</b>	<b>\$8,779,000</b>	<b>\$ 11,238,780.00</b>
Supplement companies	\$ 550,000	\$779,000	\$ 1,638,780.00
Processors	\$ 182,000	\$549,240	\$ 122,377.00
Water Develop	\$ 227,227	\$186,326	\$ 152,787.00
Others expenses	\$ 282,000	\$100,327.00	\$ 311,088.00
<b>Subtotal Direct Cost of Sales</b>	<b>\$5,191,227</b>	<b>\$10,393,893</b>	<b>\$13,463,812</b>

Chart: Sales Daily Of Products of Malangani Farm horticulture product

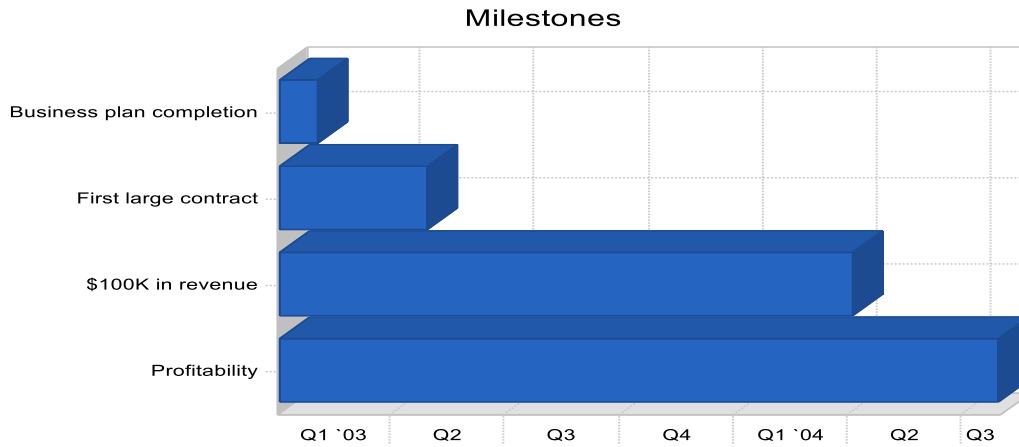


**Milestones**

The value of YIFENG Farm milestones is in creating a set of measurable activities that will be achievable goals. The achievement of the milestones will be closely monitored and the assigned person will be held accountable for hitting the milestones.

**Table: Milestones**

<i>Milestones</i>					
Milestone	Start Date	End Date	Budget	Manager	Department
Business plan completion	1/1/2019	2/25/2027	\$0	XUE JINGTAO	Strategic planning
First large contract	1/1/2019	4/30/2027	\$0	MWAHILA	Sales
\$100K in revenue	1/1/2019	4/30/2027	\$0	Edward	Sales
Profitability	1/1/2019	12/31/2027	\$0	WEI CHEN	Operations
<b>Totals</b>			\$0		

**Chart: Milestones****4.0 MANAGEMENT SUMMARY****1.1 LOCATION**

The project will be located on Kidugalo Village Pwani-District.

**1.2 SHAREHOLDINGS**

The shareholders with their respective shareholding structure are the following:-

1. MS ROSE JONAS PESHA	China	50%
2. Mr ZHANG YONG YI	China	40%
3. Edward John Lupasa		5%
4. Maria Ngairo		5%

**IMPLEMENTATION PROGRAMME**

The project will be implemented within Ten years (10) period.

## 5.0 FINANCING PLAN

The project is to be financed through equity contribution of 10% and the balance by loan from local, International commercial banks. Or Others Funds

### PROFITABILITY

The after tax Internal Rate of Return (IRR) on total investment when discounted over a period of ten years yields a return of 30%. Since the return exceeds the anticipated cost of capital of 19% which is now being charged by most local commercial banks, it can be concluded that this project will be both economically and financially a viable proposition.

### Capital investment cost

The estimated capital investment cost of this project is USD 22,300,000 million broken down as indicated in the following table: -

NO	Items	Amount	Remark
1	Cars For Company	<b>\$832,000</b>	7% Available Suzuki Carry(2) Toyota Prado, Canter
2	Development lands Buildings	<b>\$7,720,000</b>	Phase One Of construction Of Birds Buildings, Poultry, buildings of Staff house, Office Of a Project of Poultry 100% phase 1
3	Water Development –From Dawasco Mlandizi Station to Kidugalo Village 65 km From Mlandizi to Malangani Farm, Electric pump, , Elevated water Tank, Chemical and biological analysis of water sample,	<b>\$2,950,000</b>	40% For Phase 60% phase 2
4	Land (Buying and Title deed Registration)	<b>\$1,200,000</b>	Available
5	Machine & equipment's and Electricity Development, Installation of power line, Electric pump	<b>\$7,250,000</b>	60% Phase 2and 40% Phase 3
6	Purchases Of Crops For others Famers for Processing, Permit from Government of Tanzania, testing Of soil and Others Farm Expenses	<b>\$2,346,800</b>	Soil testing is available Kenya Company Soil care Company Limited, A company need 57% Phase one to purchases Farm equipment and irrigation In fracture and 43 Phase 3
7	Tanzania Investment Centre	<b>\$1,200</b>	Available
	<b>Total Capital</b>	<b>\$22,300,000</b>	

**Operating expenses**

The main operating expenses for this business will be salaries and wages, fuel consumption, electricity, office rent payable, transport and traveling for officials going up country for the purpose of conducting training and offering advisory services to hoteliers, telephones and faxes, and economic depreciation. The basis and assumptions adopted in determining these expenses are discussed below:-

**Revenue estimates**

Revenue for this project is based on the sales of Farm products general and sales all farm products, sales and marketing management, strategic planning technology risk management, commercial support in the development of a master agreement with global operation etc.

Revenue for this project is based on export sales Farm Product to Europe, America, Africa, China and other in country. Considering the size and magnitude of this project revenue has been projected based on experience and is expected to fluctuate as follows:-

**A:** 1<sup>st</sup> Year

USD 10.1

**B:** 2<sup>nd</sup> Year

USD 19.9 million

**C:** 3<sup>rd</sup> Year

USD 28.7 million

From the 10<sup>th</sup> year onwards income is projected at USD 200 million.

## Financial analysis

### PROJECTED PROFIT AND LOSS STATEMENT

This financial statement in (*Annex 1*) indicates that the project will make a net profit after tax of USD 1,180,731.9 in the first year and there after increasing up to USD 13 million in three years.

Revenue reserve would have accumulated up to USD 100.0 million towards the end of the ten year. The company should be able to declare dividends in Five years to the shareholders.

Dividends are calculated at 40% of the revenue reserve.

### PROJECTED CASH FLOW STATEMENT

The projected Cash Flow Statement (*Annex 4*) shows that the project will make a net Cash Flow of USD 17.9 million commencing the first year and thereafter rise up to USD 100 million in the ten years (10 ) year of its operations. The cumulative cash in hand would have accumulated up to USD 100 million by the end of the ten year. This cash will enable the Company to sustain its own operations without relying upon bank overdraft or loans for working capital requirements.

### PROJECTED BALANCE SHEET

The Balance Sheet (*Annex 3*) shows favorable net assets condition of the entire business throughout the operational period. The assets are well covered by all maturing obligations and that towards the end of the eight (10<sup>th</sup>) year accrued profits would have accumulated up to USD 100 million

### PAYBACK PERIOD

The original investment is USD 12,200,000. The analysis in suggests payback to be around the second year. This simply means that it will take two years for the project to recoup its initial investment of USD 10,000,000. This period is considered to be relatively short.

## INTERNAL RATE OF RETURN

The after tax Internal Rate of Return (IRR) on total investment when discounted over a period of ten years is well above 55%. This is arrived at by inspection method. The application of discounted Cash Flow measures of investment worth is well illustrated in (Annex 4) attached to this Business Plan.

## BENEFITS AND JUSTIFICATION

- (a) From the socio-economic point of view, the project will create employment opportunities to the people residing in the project vicinity, thus offering a significant stimulus to pare which will be in the periphery of copper development. During the first year alone about 15 people are expected to be recruited ranging from managerial to unskilled staff.
- (b) There is going to be an obvious case of transfer of technology from foreign technical personnel who will impact their knowledge to local staff to be employed.
- (c) The Government will earn substantial revenue in the form of corporate taxes. Commencing the ten (10) year of its operations the project will pay about USD 30.4 million annually to the government coffers.
- (d) The project will generate foreign exchange which will be beneficial to both the Company and country as a whole.

## 6.0 SECURITY FOR THE FUND FROM CHINA FRIENDS.

The proprietors have to mortgage the Land situated at Kisarawe, Kidugalo Village which will be the guarantor of the loan applied.

## 7.0 CONCLUSIONS & RECOMMENDATION:

### CONCLUSIONS:

- 1.The business proposal by the Sponsors is commercially attractive and economically sound.
- 2.The proposal if implemented will serve to improve the indoor and outdoor productions for need of the clients.
- 3.The business will also serve to contribute more to raising government revenue through payment of government taxes and sustaining of jobs created by the revenue by the venture. It will also serve to stimulate the spirit of self-employment by Tanzanians hence contribute to the growth of the private sector and Country economy in all.

### RECOMMENDATION:

In the view of the foregoing market and business financial analysis it is strongly recommended that the business is implemented due to the following reasons.

- There is strong evidence of the growing demand of new technology in the country and lack of adequate and dependable supply of this range of services-products in the country.
- The mission and objectives of the business are inline and very much supports of the income growth of the country to eradicate poverty in the country.
- The owner of the business is highly committed to developing the industry and this is evidenced by the fact the business is exciting.

## 8.0 APPENDEX

- *Figures in USD (000's)*  
**PROJECTED PROFIT& LOSS**

(Annex 1)

Table: Personnel

<i>Personnel Plan</i>			
	2017	2018	2019
Mwahila nyanshile	\$30,000	\$45,000	\$60,000
Edward Lupasa	\$18,000	\$25,200	\$35,280
Grower	\$20,000	\$28,000	\$39,200
Laborers	\$60,000	\$56,000	\$78,400
Total People	40	120	150
<b>Total Payroll</b>	<b>\$128,000</b>	<b>\$154,200</b>	<b>\$212,880</b>

### 1.0 Financial Plan

The following sections will outline important financial information.

#### 1.1 Important Assumptions

The following table details important Financial Assumptions.

Table: General Assumptions

Annex 2

<i>General Assumptions</i>	2017	2018	2019
Plan Month	1	2	3
Current Interest Rate	18.00%	18.00%	18.00%
Long-term Interest Rate	20.00%	20.00%	20.00%
Tax Rate	30.00%	30.00%	30.00%
<b>Other</b>	0	0	0

Chart: Break-even Analysis

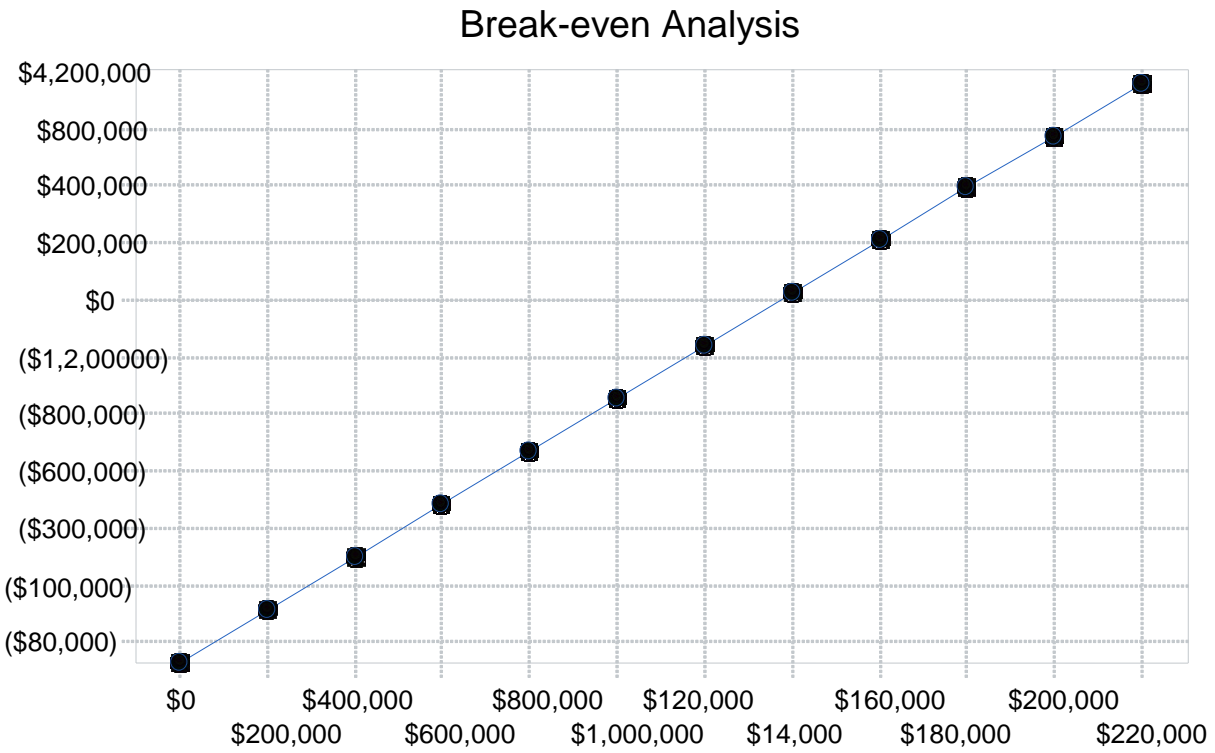


Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Revenue Break-even	\$1,400,000
Assumptions:	
Average Percent Variable Cost	36%
<b>Estimated Monthly Fixed Cost</b>	<b>\$504,000</b>

### 7.3 Projected Profit and Loss

The following table and charts show the Projected Profit and Loss.

Table: Profit and Loss

*Figures in USD (000's)*

#### STATEMENT OF BALANCE SHEET

*Annex 3*

Item/Year	0	1	2	3	4	5	6	7	8	9	10
<b>A: INFLOWS</b>											
Equity	2,200	-	-	-	-	-	-	-	-	-	-
Bank Loan/Funds	20,000	-	-	-	-	-	-	-	-	-	-
Profit after Tax	-	1,180	1,659	3,092	6,000	13,000	25,000	38,000	65,000	80,000	100,000
Economic Depreciation	-	155	155	155	155	155	155	155	155	155	155
<b>TOTAL INFLOWS</b>	<b>22,200</b>	<b>1,055</b>	<b>1,217</b>	<b>1,518</b>	<b>1,353</b>	<b>2,580</b>	<b>2,719</b>	<b>3,421</b>	<b>3,459</b>	<b>3,459</b>	<b>3,459</b>
<b>B: CAPITAL OUTFLOWS</b>											
Investment/and Re-investments	20,000	-	-	-	-	300	-	-	-	-	-
Change in Working Capital	100	150	75	120	60	-	-	-	-	-	-
Loan Repayment	-	191	19	191	193	193,00	193	193	193	193	193
<b>TOTAL OUTFLOWS</b>		<b>341</b>	<b>94</b>	<b>311</b>	<b>253,00</b>	<b>293,00</b>	<b>293,00</b>	<b>293,00</b>	<b>193,00</b>	<b>293,00</b>	<b>293,000</b>

Table: Cash Flow

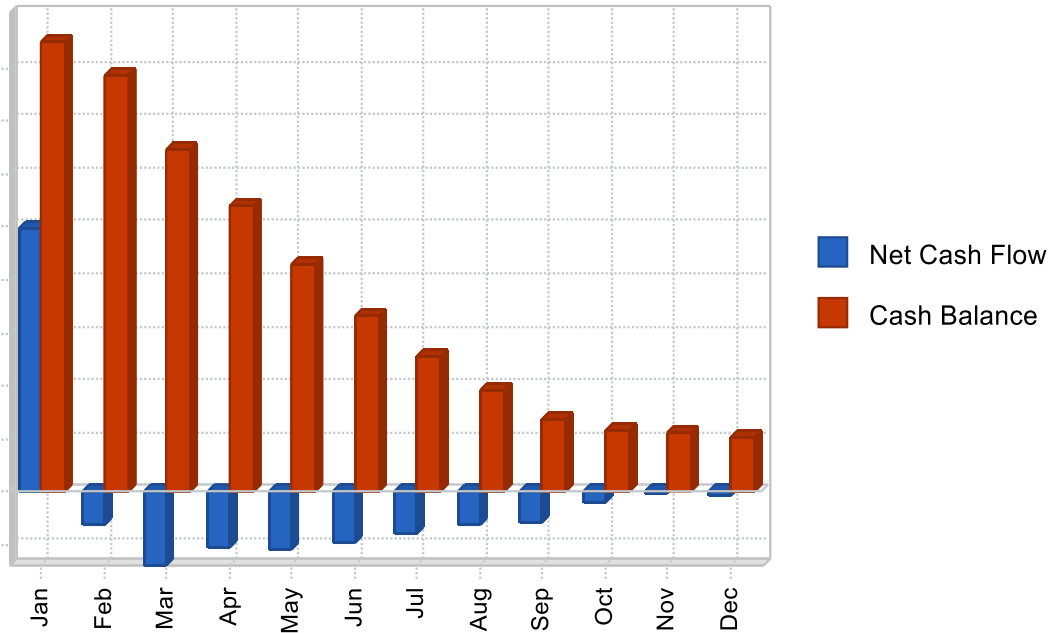


Table: Ratios

Annex 4

<i>Ratio Analysis</i>	2017	2018	2019	Industry Profile
Sales Growth	82.45%	124.94%	13.51%	10.17%
Percent of Total Assets				
Accounts Receivable	15.63%	34.11%	34.38%	7.31%
Other Current Assets	4.79%	4.65%	4.13%	27.46%
Total Current Assets	32.94%	43.06%	56.66%	44.97%
Long-term Assets	67.06%	56.94%	43.34%	55.03%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	5.84%	7.95%	7.83%	24.14%
Long-term Liabilities	113.76%	101.08%	79.43%	28.08%
Total Liabilities	119.60%	109.02%	87.26%	52.22%
Net Worth	-19.60%	-9.02%	12.74%	47.78%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	92.50%	92.50%	92.50%	47.84%

Selling, General & Administrative Expenses	191.95%	90.33%	85.38%	33.12%
Advertising Expenses	0.00%	0.00%	0.00%	0.26%
Profit Before Interest and Taxes	-87.66%	8.35%	14.78%	0.82%
Main Ratios				
Current	5.64	5.42	7.23	1.16
Quick	5.64	5.42	7.23	0.55
Total Debt to Total Assets	119.60%	109.02%	87.26%	0.86%
Pre-tax Return on Net Worth	478.24%	-158.16%	232.70%	61.86%
Pre-tax Return on Assets	-93.74%	14.27%	29.65%	2.24%
Additional Ratios	2017	2018	2019	
Net Profit Margin	-92.27%	4.51%	9.29%	n.a
Return on Equity	0.00%	0.00%	162.89%	n.a
Activity Ratios				
Accounts Receivable Turnover	4.87	4.87	4.87	n.a
Collection Days	59	54	70	n.a
Accounts Payable Turnover	14.17	12.17	12.17	n.a
Payment Days	32	26	28	n.a
Total Asset Turnover	1.02	2.22	2.23	n.a
Debt Ratios				
Debt to Net Worth	0.00	0.00	6.85	n.a
Current Lab. to Liab.	0.05	0.07	0.09	n.a
Liquidity Ratios				
Net Working Capital	\$22,628	\$30,224	\$47,339	n.a
Interest Coverage	-19.03	4.38	9.76	n.a
Additional Ratios				
Assets to Sales	0.98	0.45	0.45	n.a
Current Debt/Total Assets	6%	8%	8%	n.a
Soil Test	2.96	1.13	2.85	n.a
Sales/Net Worth	0.00	0.00	17.54	n.a
<b>Dividend Payout</b>	0.00	0.00	0.00	n.a

## PROJECTED CASH FLOW FOR THE 24( COMING TWENTY FOUR ) MONTHS STARTING MAY-2017 ENDING - FEB 2020

Annex 4

	May-17	Aug-17	Nov-17	Feb-18	May-18	Aug-18	Nov-18	Feb-19	May-19	Aug-19	Nov-19	Feb-20	Total
Beginning Cash Balance	\$ 5,000,000	\$ 6,718,190	\$ 6,827,830	\$ 10,960,830	\$ 17,930,563	\$20,713,616	\$23,853,459	\$ 24,861,402	\$ 25,904,825	\$ 29,463,498	\$ 33,000,561	\$ 34,713,881	5,000,000
<b>Cash Receipts</b>													
Cash Sales	\$ 2,350,000	\$ 2,420,000	\$ 3,995,800	\$ 6,121,000	\$ 4,370,000	\$ 4,370,000	\$ 4,370,000	\$ 4,370,000	\$ 4,370,000	\$ 4,370,000	\$ 2,450,900	\$ 2,247,000	45,804,700
Collect Accounts Receivable	\$ 2,018,000	\$ 1,836,100	\$ 1,524,200	\$ 3,466,290	\$ 1,268,310	\$ 1,983,100	\$ 665,200	\$ 1,695,240	\$ 2,171,310	\$ 2,173,400	\$ 2,183,900	\$ 23,287,000	44,272,050
<b>Total Cash Receipts</b>	<b>\$ 4,368,000</b>	<b>\$ 4,256,100</b>	<b>\$ 5,520,000</b>	<b>\$ 9,587,290</b>	<b>\$ 5,638,310</b>	<b>\$ 6,353,100</b>	<b>\$ 5,035,200</b>	<b>\$ 6,065,240</b>	<b>\$ 6,541,310</b>	<b>\$ 6,543,400</b>	<b>\$ 4,634,800</b>	<b>\$ 25,534,000</b>	<b>90,076,750</b>
<b>Cash Disbursements</b>													
Food and Preparation Of land	\$ 1,790,700	\$ 3,127,820	\$ 953,000	\$ 1,970,000	\$ 1,970,000	\$ 1,970,000	\$ 1,970,000	\$ 2,991,000	\$ 960,000	\$ 1,040,000	\$ 1,134,000	\$ 1,298,500	21,175,020
Gross Salary&Wages	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	900,000
Fuel& lubricant	\$ 100,000	\$ 200,000	\$ 30,000	\$ 30,000	\$ 30,500	\$ 30,500	\$ 30,500	\$ 30,500	\$ 31,000	\$ 31,000	\$ 31,000	\$ 31,000	606,000
Supplies (Office & Operating)	\$ 60,000	\$ 120,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	780,000
Machinery	\$ 30,000	\$ 60,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	192,000
Car, Delivery and Travel	\$ 16,000	\$ 32,000	\$ 48,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 52,000	\$ 52,000	\$ 52,000	\$ 52,000	554,000
Crops and Fertilizer	\$ 36,000	\$ 108,000	\$ 18,000	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 18,500	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	330,500
Rent	\$ 12,000				\$ 12,000				\$ 15,000			\$ 15,000	54,000
NSSF & PSPF	\$ 27,000	\$ 54,000	\$ 108,000	\$ 216,000	\$ 432,000	\$ 864,000	\$ 1,728,000	\$ 1,728,000	\$ 1,728,000	\$ 1,728,000	\$ 1,728,000	\$ 1,728,000	12,069,000
Telephone,Mail&Electricity	\$ 45,000	\$ 90,000	\$ 13,500	\$ 13,700	\$ 13,700	\$ 13,700	\$ 13,700	\$ 13,700	\$ 13,900	\$ 13,900	\$ 13,900	\$ 13,900	272,600
Electricity & Water	\$ 250,000		\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	277,000
Furniture & fittings	\$ 4,000							\$ 3,000				\$ 3,200	10,200
Withholding tax	\$ 1,200	\$ -	\$ -		\$ 1,200				\$ 1,500			\$ 1,500	5,400
Repair & Mintanance	\$ 12,500	\$ 50,000	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,720	\$ 2,720	\$ 2,720	\$ 2,720	87,780
Staff-welfare	\$ 1,910	\$ 7,640	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,860	\$ 2,860	\$ 2,860	\$ 2,860	\$ 2,860	34,350
Insurance	\$ 29,000	\$ 58,000	\$ 87,000	\$ 87,000	\$ 87,800	\$ 87,800	\$ 87,800	\$ 87,800	\$ 87,800	\$ 89,000	\$ 89,000	\$ 89,000	967,000
SDL	\$ 4,500	\$ 9,000	\$ 3,600	\$ 3,600	\$ 10,800								31,500
<b>Total Cash Disbursements</b>	<b>\$ 2,494,810</b>	<b>\$ 3,991,460</b>	<b>\$ 1,412,000</b>	<b>\$ 2,539,700</b>	<b>\$ 2,777,400</b>	<b>\$ 3,185,400</b>	<b>\$ 4,049,400</b>	<b>\$ 5,074,760</b>	<b>\$ 3,063,780</b>	<b>\$ 3,128,480</b>	<b>\$ 3,222,480</b>	<b>\$ 3,406,680</b>	<b>38,346,350</b>
<b>Net Cash Flow</b>	<b>\$ 1,873,190</b>	<b>\$ 264,640</b>	<b>\$ 4,108,000</b>	<b>\$ 7,047,590</b>	<b>\$ 2,860,910</b>	<b>\$ 3,167,700</b>	<b>\$ 985,800</b>	<b>\$ 990,480</b>	<b>\$ 3,477,530</b>	<b>\$ 3,414,920</b>	<b>\$ 1,412,320</b>	<b>\$ 22,127,320</b>	<b>51,730,400</b>
<b>Adjustments to Net Cash Flow</b>													
(+) New Owner Investment			\$ 180,000	\$ 220,000	\$ 220,000	\$ 270,000	\$ 320,000	\$ 350,800	\$ 379,000	\$ 420,000	\$ 456,000	\$ 472,400	3,288,200
Principle Payment				\$ 142,857	\$ 142,857	\$ 142,857	\$ 142,857	\$ 142,857	\$ 142,857	\$ 142,857	\$ -	\$ -	999,999
(-) New Debt-Interest	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	1,860,000
(-) New Owner Withdrawals													-
<b>Adjusted Net Cash Flow</b>	<b>\$ 1,718,190</b>	<b>\$ 109,640</b>	<b>\$ 4,133,000</b>	<b>\$ 6,969,733</b>	<b>\$ 2,783,053</b>	<b>\$ 3,139,843</b>	<b>\$ 1,007,943</b>	<b>\$ 1,043,423</b>	<b>\$ 3,558,673</b>	<b>\$ 3,537,063</b>	<b>\$ 1,713,320</b>	<b>\$ 22,444,720</b>	<b>52,158,601</b>
<b>Ending Cash Balance</b>	<b>\$ 6,718,190</b>	<b>\$ 6,827,830</b>	<b>\$ 10,960,830</b>	<b>\$ 17,930,563</b>	<b>\$ 20,713,616</b>	<b>\$23,853,459</b>	<b>\$24,861,402</b>	<b>\$ 25,904,825</b>	<b>\$ 29,463,498</b>	<b>\$ 33,000,561</b>	<b>\$ 34,713,881</b>	<b>\$ 57,158,601</b>	<b>57,158,601</b>